

# GUOSONG XU

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## EDUCATION

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<b>WHU – Otto Beisheim School of Management</b> , Vallendar, Germany Ph.D. in Finance	Sept. 2014 – Present
<b>New York University Stern School of Business</b> , New York, United States Visiting Scholar in the Finance Department	2016
<b>ESSEC Business School</b> , Paris, France MSc. in Management Finance Track, Grande Ecole Program	2014
<b>University of Chicago Booth School of Business</b> , Chicago IL, United States Visiting program	2013
<b>East China University of Science and Technology</b> , Shanghai, China BA. in Economics	2011

## RESEARCH INTERESTS

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Corporate finance, M&A, Behavioral finance

## PUBLICATIONS

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**[She is Mine: Determinants and Value Effects of Early Announcements in Takeovers](#)**  
*with Nihat Aktas and Burcin Yurtoglu*, Journal of Corporate Finance, 50 (2018) 180–202  
Best AFFI 2017 Conference Paper; Media coverage: [Les Echos](#)

## WORKING PAPERS

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**[Are Market Reactions to M&As Biased by Overextrapolation of Salient News?](#)**  
*with Eliezer Fich (Drexel University)*

- We study earnings surprises released by firms in a takeover target's 1-digit SIC hours before the M&A public announcement. We find that these surprises correlate with the acquirers M&A announcement return, but not with the returns to 4-digit SIC matched bidder and target peer firms. A week after the M&A announcement, acquirers exhibit a stock price reversal and their response to the earnings surprises disappears. We cannot reconcile these findings with rational Bayesian updating, information transmission, or strategic timing theories. The evidence that salient events affect investors' M&A valuations, supports behavioral theories predicting asset pricing distortions due to cognitive biases.

**[What Drives the Takeover Process? New Evidence from the Inner Workings of Internal M&A Teams](#)**  
*with Nihat Aktas, Audra Boone, Alexander Witkowski and Burcin Yurtoglu (WHU and Texas Christian University)*

- This paper provides insights into the inner workings of internal corporate merger and acquisition teams using extensive survey evidence from 65 firms from Austria, Germany, and Switzerland. The responses indicate the growing importance in relying on the firm's own employees for analyzing potential deals and implementing the takeover strategies. Responding firms analyze a significant number of potential deals each year and cite economic rationales such as synergies more often than market power or undervaluation as motives for acquiring a particular target firm. Internal teams primarily use DCF and multiples to value firms. CEOs and CFOs are more likely to participate in negotiations if the deal is large than smaller deals, which are handled by specialized M&A teams or business units. Firms evaluate merger success based on achieving particular goals or CEO satisfaction. These results shed light on the why firm-specific factors account for a large portion of the variation in takeover outcomes.

### **Bribery and Cross-border Acquisitions**

- This paper explores (1) how foreign bribery affects an acquirer's engagement in cross-border takeovers, and (2) how the use of bribes determines acquisition synergy. I explore an exogenous implementation of the OECD Anti-bribery Convention in 41 countries that criminalizes bribe-paying by acquirers in foreign markets. I document that cross-border deal frequency drops significantly from affected countries after the law enactment, and that more corrupt target countries experience a greater deal number decline. These results suggest a hidden use of bribes in cross-border transactions. Further evidence suggests that deal synergy drops due to the prohibition against foreign bribery: deal premium decreases significantly following the laws, and deal abnormal returns drop as the corruption and governance environment in the target country worsens relative to the acquirer country.

### **Irreversible Investment under Uncertainty: Do Firm Boundaries Matter?**

*with Johnson Mo (NYU Stern)*

- We empirically analyze investment under output price uncertainty when firms face differential asset specificity or irreversibility. We study the oil exploration and production (E&P) industry, where some producers vertically integrate into downstream segments and face higher capital irreversibility. Using exogenous oil price uncertainty shocks, we show that these integrated producers cut capital expenditures significantly more than standalone producers in response to price volatility. This finding is consistent with a real option model of investment, where a higher level of capital irreversibility amplifies the uncertainty effects on real investment. We show that our results cannot be explained by intersegment investment transfer.

## **EXPERIENCES**

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### **WHU – Otto Beisheim School of Management**

since Sept. 2014

Research Assistant at the Chair of Corporate Finance, Prof. Burcin Yurtoglu

Teaching Assistant, Managerial Finance (MBA class)

Teaching Assistant, Advanced Corporate Finance (MSc. class)

Teaching Assistant, Sustainable Finance (MSc. class)

### **ESSEC Business School**

Research Assistant, Prof. Jose Miguel Gaspar, 2013

Research Assistant at the Financial Reporting Center, on the publication of “Comptabilite financiere en IFRS” (*French, 3rd edition*), Prof. Wolfgang Dick, 2012

### **Other professional services:**

2017: Reviewer for INFINITI Conference on International Finance; Reviewer for the 22th Spring Meeting of Young Economists

## TEACHING

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Sessions in Advanced Corporate Finance (MSc. class)

Fall term 2015–2017

## PRESENTATIONS AND DISCUSSIONS

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**2018** (*incl. scheduled*): Helsinki Finance Summit Poster (*Helsinki*), Erasmus University Finance Brownbag Seminar\* (*Rotterdam*), Humboldt University\* (*Berlin*), Peking University† (*Beijing*), CKGSB† (*Beijing*), International Conference of the French Finance Association (*Paris*)

**2017**: Paris December Finance Meeting\* (*Paris*), ESSEC\* (*Paris*), University of Lille II\* (*Lille*), International Conference of the French Finance Association (*Valence*), NYU Stern† (*New York*), City University of Hong Kong† (*Hong Kong*), University of Missouri† (*Missouri*), 6th Annual Corporate Finance Conference† (*Exeter*), Corporate Finance Workshop in Durham University† (*Durham*)

**2016**: FMA Doctoral Student Consortium (*Helsinki*), Spring Meeting of Young Economists (*Lisbon*), International Conference of the French Finance Association (*Liege*), Conference on Empirical Legal Studies in Europe (*Amsterdam*), Workshop on Corporate Governance and Investment (*Istanbul*), WHU (*Vallendar*), NYU Stern (*New York*)

**2015**: Causal Inference Workshop at Northwestern University (*Chicago*), WHU (*Vallendar*)

\*: *Invited seminar/discussion*; †: *Presented by a coauthor*

## AWARDS

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Dean's Fund (1,000 euros), WHU – Otto Beisheim School of Management, 2016, 2017

French Finance Association International Conference Best Paper Award, 2017

Research Grant for Visiting Scholar, WHU Chair of Corporate Finance, 2016

PhD Fellowship, WHU Chair of Corporate Finance, 2014–present

ESSEC Excellence Scholarship, 2013

CFA Global Research Challenge French Championship, 2013

Research Paper Award in the ECUST University Student Research Program, 2009

National Scholarship by the Chinese Education Ministry, 2008

## NON-ACADEMIC EXPERIENCES

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**Lazard**, Paris France 2013  
TMT Mergers & Acquisitions Analyst

**Vivendi Group**, Paris France 2012  
Investors Relations Intern

## OTHERS

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**Languages** English, Chinese, French, German

**Programs** STATA, Matlab, L<sup>A</sup>T<sub>E</sub>X, Python (basic)